

Adopted	Rejected
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COMMITTEE REPORT

YES:	10
NO:	0

MR. SPEAKER:

*Your Committee on Financial Institutions, to which was referred House Bill 1557, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Page 10, line 12, after "benefits" insert ",".
- 2 Page 12, line 11, after "value" insert "**to the debtor**".
- 3 Page 12, line 11, after "benefits" insert ",".
- 4 Page 25, line 22, after "hundred" insert "**fifty**".
- 5 Page 25, line 22, strike "(\$500);" and insert "**(\$550);**".
- 6 Page 25, line 29, delete "dollars (\$500)" and insert "**fifty dollars**
- 7 **(\$550)**".
- 8 Page 26, line 4, before "dollars" insert "**fifty**".
- 9 Page 26, line 4, strike "(\$500)" and insert "**(\$550)**".
- 10 Page 26, line 5, after "five hundred" insert "**fifty**".
- 11 Page 26, line 6, strike "(\$500)." and insert "**(\$550).**".
- 12 Page 26, line 7, delete "dollars (\$500)" and insert "**fifty dollars**
- 13 **(\$550)**".
- 14 Page 26, delete lines 31 through 42, begin a new paragraph and
- 15 insert:

"SECTION 24. IC 24-4.5-7-401, AS AMENDED BY P.L.57-2006, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 401. (1) A small loan may not be made for a term of less than fourteen (14) days.

(2) ~~After the borrower's fifth~~ **If five (5) consecutive small loan, loans have been made to a borrower after the borrower's initial small loan,** another small loan may not be made to that borrower within seven (7) days after the fifth consecutive small loan is paid in full. After the borrower's fifth consecutive small loan, the balance must be paid in full. ~~However, the borrower and lender may agree to enter into a simple interest loan, payable in installments, under IC 24-4.5-3 within seven (7) days after the due date of the fifth consecutive small loan.~~

(3) **Subject to subsection (4), whenever a borrower has entered into an initial small loan followed by three (3) consecutive small loans, the lender shall offer the borrower the option to repay:**

(a) the third consecutive small loan; and

(b) subject to subsection (2), any small loan entered into after the third consecutive small loan;

under an extended payment plan. At the time of execution of a small loan described in subdivision (a) or (b), the lender shall disclose to the borrower the extended payment plan option by providing the borrower a written description of the extended payment plan option in a separate disclosure document approved by the director.

(4) **A lender shall offer an extended payment plan under subsection (3) under the following terms and conditions:**

(a) A borrower shall be permitted to request an extended payment plan at any time during the term of a third or subsequent consecutive small loan if the borrower has not defaulted on the outstanding small loan.

(b) An extended payment plan must allow the outstanding small loan to be paid in at least four (4) equal installments over a period of not less than sixty (60) days.

(c) The lender may not assess any fee or charge on a borrower for entering into an extended payment plan.

(d) An agreement for an extended payment plan must be in writing and acknowledged by both the borrower and the

1 lender.

2 (e) A borrower may not enter into another small loan
3 transaction while engaged in an extended payment plan.

4 (5) An agreement for an extended payment plan under
5 subsection (3):

6 (a) shall be considered an extension of the outstanding small
7 loan; and

8 (b) may not be considered a new loan."

9 Page 27, delete lines 1 through 11.

10 Page 27, line 19, strike "fifteen" and insert "**twenty**".

11 Page 27, line 19, strike "(15%)" and insert "**(20%)**".

12 Page 28, line 11, after "hundred" insert "**fifty**".

13 Page 28, line 11, strike "(\$500),".

14 Page 28, line 13, before "excluding" insert "**(\$550),**".

15 Page 28, line 16, delete "dollars (\$500)" and insert "**fifty dollars**
16 **(\$550)**".

17 Page 32, line 13, delete "twenty dollars (\$20)" and insert
18 "**twenty-five dollars (\$25)**".

19 Page 45, line 5, reset in roman "In an appeal under this section, the
20 court shall determine the".

21 Page 45, reset in roman line 6.

22 Page 69, line 23, reset in roman "In an appeal under this section,
23 the".

24 Page 69, reset in roman line 24.

25 Page 76, line 41, reset in roman "In an appeal under this section,".

26 Page 76, reset in roman line 42.

27 Page 80, line 27, strike ""Unimpaired" and insert "**Except as**
28 **provided in section 9(3)(J) of this chapter, "unimpaired"**."

29 Page 80, line 27, reset in roman "unimpaired".

30 Page 80, line 27, reset in roman "means the sum".

31 Page 80, reset in roman line 28.

32 Page 80, line 28, beginning with "(A)" begin a new line double
33 block indented.

34 Page 80, line 28, beginning with "(B)" begin a new line double
35 block indented.

36 Page 80, line 28, beginning with "(C)" begin a new line double
37 block indented.

38 Page 80, line 29, reset in roman "regular reserve; and (D) allowance

- 1 for loan and lease losses."
- 2 Page 80, line 29, delete "has".
- 3 Page 80, line 29, beginning with "(D)" begin a new line double
- 4 block indented.
- 5 Page 80, delete line 30.
- 6 Page 81, line 37, delete "an" and insert **"and"**.
- 7 Page 81, line 39, after "department." insert **"For purposes of this**
- 8 **clause, "unimpaired capital and unimpaired shares" has the**
- 9 **meaning set forth in 12 CFR 700.2."**
- 10 Page 87, line 37, reset in roman "In an appeal under".
- 11 Page 87, reset in roman line 38.
- 12 Page 106, delete lines 9 through 21, and insert:
- 13 "SECTION 87. IC 28-8-5-17 IS AMENDED TO READ AS
- 14 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 17. **(a)** Except as
- 15 otherwise provided in this chapter, a licensee may not charge check
- 16 cashing fees in excess of:
- 17 **(1) the greater of ~~five~~ ten dollars (~~\$5~~) (**\$10**) or ten percent (10%)**
- 18 **of the face amount of a check, in the case of a personal check;**
- 19 **or**
- 20 **(2) the greater of five dollars (\$5) or five percent (5%) of the**
- 21 **face amount of a check, in the case of all other checks.**
- 22 **(b)** Except as provided in this chapter, a licensee or the licensee's
- 23 agent may not accept multiple checks from a:
- 24 (1) person;
- 25 (2) person's spouse; or
- 26 (3) person's agent;
- 27 drawn on the person's account with the intent that the licensee may

- 1 collect multiple or increased fees for cashing the checks."
- 2 Page 107, line 9, delete "JANUARY 1, 2007 (RETROACTIVE)]:"
- 3 and insert "JULY 1, 2007]:". (Reference is to HB 1557 as introduced.)

and when so amended that said bill do pass.

Representative Bardon